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183018
526 S. Church St.
Charlotte, N. C. 28202
Janice Hager, Vice President
Duke Energy Carolinas
EC12K / P.O. Box 1006
Charlotte, N. C. 28201-1006
704 382-6963
704 382-4671 fax

November 28, 2006

The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

2006-2685

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending September 30, 2006. Please feel free to call me at (704) 382-6963 or Veronica Williams at (704) 382-8071.

Sincerely,

Janice D. Hager
Rates & Regulatory Affairs

Enclosure

JDH/jr

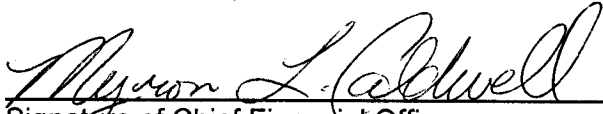
cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

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CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Myron L. Caldwell, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Financial Officer

Myron L. Caldwell

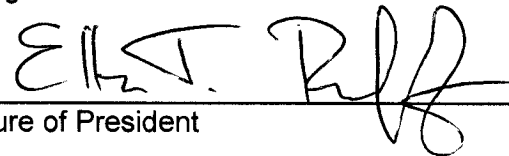
Typed or Printed Name of Person Signing

SVP and CFO, Franchised Electric & Gas

Title

11/20/06

Date Signed



Signature of President

Ellen T. Ruff

Typed or Printed Name of Person Signing

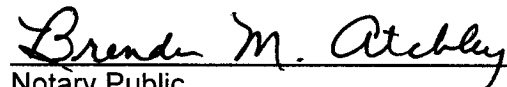
President, Duke Energy Carolinas

Title

11/20/06

Date Signed

Subscribed and sworn to before me this 20th day of November, 2006.



Notary Public

My Commission Expires: December 4, 2009

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,410,587		\$1,269,082	(\$1,373)	\$1,267,709
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,323,589		326,332	(246)	326,086
3	Purchased power and net interchange	82,360		6,418	(16)	6,402
4	Wages, benefits, materials, etc.	1,584,463		414,917	(675)	414,242
5	Depreciation and amortization	899,498		160,784	15,645	176,429
6	General taxes	310,638		66,657	(553)	66,104
7	Interest on customer deposits	3,515		430	0	430
8	Income taxes	337,357		81,028	(1,399)	79,629
9	Amortization of investment tax credit	(9,116)		(2,279)	7	(2,272)
10	Total electric operating expenses	4,532,304		1,054,287	12,763	1,067,050
11	Operating income	\$878,283		214,795	(14,136)	200,659
12	Add: Customer growth adjustment				1,915	1,915
13	Income for return			\$214,795	(\$12,221)	\$202,574
14	Original cost rate base (b)			\$2,438,348	\$206,101	\$2,644,449
15	Rate of return on South Carolina retail rate base			8.81%		7.66%

Notes: (a) From Page 3, "Total adjustments" line.

(b) From Page 4, Line 11.

Line No.	Description	Total Company Capitalization			Per Book Embedded			South Carolina Retail			Pro forma Embedded		
		September 30, 2006 Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Cost/Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/Return % (Col. 7)	Operating Income (Col. 8)		Cost/Return % (Col. 7)	Operating Income (Col. 8)	
1	Long-term debt	\$4,065,299	39.42%	\$961,197	5.87%	\$56,422	\$1,042,442	5.87%	\$61,191				
2	Preferred stock	0	0.00%	0	0.00%	0	0	0.00%	0				
3	Common equity	\$6,247,483	60.58%	1,477,151	10.72%	158,373	1,602,007	8.83%	141,383				
4	Total	\$10,312,782	100.00%	\$2,438,348 (a)		\$214,795 (b)	\$2,644,449 (c)	(e) (f)	\$202,574 (d)				

Notes:

- (a) From Page 4, Line 11, Column 2.
- (b) From Page 1, Line 13, Column 2.
- (c) From Page 4, Line 11, Column 4.
- (d) From Page 1, Line 13, Column 4.
- (e) If adjusted for weather, this rate would be 8.60%.
- (f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$101 million for the 12 mos ended 09/30/06. A net of tax South Carolina Retail allocation of profits would amount to approximately \$16 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$3,862			(\$1,512)		(\$2,350)
2	To annualize wage rate increases				\$3,041		\$223		(1,278)		(1,986)
3	To annualize property taxes on year end plant						(1,864)		730		1,134
4	To reflect CWIP closings to plant					12,238	1,343		(5,316)		(8,265)
5	To adjust income taxes to reflect interest synchronization								4,670		(4,670)
6	To exclude Greenwood operations	(1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	1,307	\$7	2,001
7	Total adjustments	(\$1,373)	(\$246)	(\$16)	(\$675)	\$15,645	(\$553)	\$0	(\$1,399)	\$7	(\$14,136)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$20,519,367		\$5,181,133	\$220,629	\$5,401,762
2	Less: Accumulated depreciation and amortization	(9,145,975)		(2,335,791)	(16,100)	(2,351,891)
3	Net electric plant	11,373,392		2,845,342	204,529	3,049,871
4	Add: Materials and supplies	476,026		124,619	5,698	130,317
5	Working capital investment	471,339		118,347	0	118,347
6	Plant held for future use	3,012	31.6962%	955	0	955
7	Less: Accumulated deferred taxes	(1,633,902)		(489,127)	0	(489,127)
8	Operating reserves	(643,631)		(149,217)	0	(149,217)
9	Customer deposits	(51,643)		(12,571)	0	(12,571)
10	Greenwood				(4,126)	(4,126)
11	Total original cost rate base	<u>\$9,994,593</u>		<u>\$2,438,348</u>	<u>\$206,101</u>	<u>\$2,644,449</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$9,931,067		\$2,492,829	\$146,126	\$2,638,955
2	Transmission	1,973,512	19.4079%	383,017	11,929	394,946
3	Distribution (b)	6,969,779	26.7751%	1,866,165	24,831	1,890,996
4	General	559,064	25.2070%	140,923	10,895	151,818
5	Intangible	214,090	24.9262%	53,365	26,848	80,213
6	Subtotal	19,647,512		4,936,299	220,629	5,156,928
7	Nuclear fuel	871,855	28.0820%	244,834		244,834
8	Total electric plant in service	<u>\$20,519,367 (a)</u>		<u>\$5,181,133</u>	<u>\$220,629</u>	<u>\$5,401,762</u>

Notes: (a) Excludes electric plant held for future use of.....
and electric plant acquisition adjustment of.....

\$3,012
\$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$4,403,102		\$1,110,793	\$7,949	\$1,118,742
2	Transmission	951,945	19.3299%	184,010	529	184,539
3	Distribution	2,894,212		795,792	1,786	797,578
4	General	33,114	25.1298%	8,321	466	8,787
5	Intangible	186,713	25.0606%	46,791	5,370	52,161
6	Subtotal	8,469,086		2,145,707	16,100	2,161,807
7	Nuclear fuel	676,889	28.0820%	190,084		190,084
8	Total accum depreciation and amortization	<u>\$9,145,975 (a)</u>		<u>\$2,335,791</u>	<u>\$16,100</u>	<u>\$2,351,891</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$147

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:					
					(a) & (b)	
1	Coal	\$133,388	28.0820%	\$37,458	\$5,228	\$42,686
2	Oil	23,826	28.0820%	6,691	470	7,161
3	Total fuel stock	157,214		44,149	5,698	49,847
4	Other electric materials and supplies and stores clearing	318,812	25.2407%	80,470	0	80,470
5	Total materials and supplies	<u>\$476,026</u>		<u>\$124,619</u>	<u>\$5,698</u>	<u>\$130,317</u>

Notes: (a) Adjustment to per book coal inventory balance
to reflect target inventory level.

Coal inventory target level (in tons)
Price per ton - coal

2,262,000
\$67.20

Total company pro forma inventory
Per book coal inventory
Coal adjustment

\$152,006

28.0820%

\$42,686
37,458
\$5,228

(b) Adjustment to per book oil inventory balance
to reflect target inventory level.

Oil inventory target level (in gallons)
Price per gallon - oil

19,922,000
\$1.28

Total company pro forma inventory
Per book oil inventory
Oil adjustment

\$25,500

28.0820%

\$7,161
6,691
\$470

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$2,771,053</u>		<u>\$702,949</u>		<u>\$702,949</u>
2	1/8 of O&M expenses on line 1	\$346,382		\$87,869		\$87,869
3	Less: Average taxes accrued	<u>(196,927)</u>		<u>(43,552)</u>		<u>(43,552)</u>
4	Subtotal	149,455		44,317	\$0	44,317
5	Required bank balances	53,714	25.3098%	13,595		13,595
6	Bond reacquisition premiums	104,794		19,247		19,247
7	Prepayments	163,376	25.2104%	41,188		41,188
8	Total working capital investment	<u>\$471,339</u>		<u>\$118,347</u>	<u>\$0</u>	<u>\$118,347</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$397,114	25.0030%	\$99,290	\$0	\$99,290
2	Transmission	46,521	19.4079%	9,029	0	9,029
3	Distribution	109,384	26.7751%	29,288	0	29,288
4	General	6,331	25.2070%	1,596	0	1,596
5	Intangible	105,547	24.9262%	26,309	0	26,309
6	Total construction work in progress	<u>\$664,897</u>		<u>\$165,512</u>	<u>\$0</u>	<u>\$165,512</u>

Line No.	Description	
	12 Months Ended September 30, 2006	
1	SEC Fixed Charges Coverage	4.1
2	Earnings per Share	\$1.94

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	Operating Revenues (\$000s)							
2	Residential							
3	Commercial	\$1,972,452			\$1,520,543	77.0890%	\$451,909	22.9110%
4	Industrial	\$1,603,133			\$1,261,702	78.7023%	\$341,431	21.2977%
5	Public Street & Hghwy Lighting	\$1,103,587			\$695,696	63.0395%	\$407,891	36.9605%
6	Interdepartmental	\$30,208			\$25,792	85.3812%	\$4,416	14.6188%
7	Sales for Resale:	\$0			\$0	0.0000%	\$0	0.0000%
8	Special Contract							
9	Other	\$381,232	\$330,697	86.7444%	\$36,748	9.6393%	\$13,787	3.6163%
		\$63,049	\$63,049	100.0000%				
10	Total Rev from Sales of Electr	\$5,153,661	\$393,746	7.6401%	\$3,540,481	68.6984%	\$1,219,434	23.6615%
11	Kilowatthour Sales (000s)							
12	Residential	25,513,447			19,308,234	75.6787%	6,205,213	24.3213%
13	Commercial	25,622,639			20,140,792	78.6055%	5,481,847	21.3945%
14	Industrial	24,823,116			14,620,463	58.8986%	10,202,653	41.1014%
15	Public Street & Hghwy Lighting	267,604			226,032	84.4651%	41,572	15.5349%
16	Interdepartmental	0			0	0.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	5,687,501	4,933,587	86.7444%	548,236	9.6393%	205,678	3.6163%
19	Other	1,569,032	1,569,032	100.0000%				
20	Total KWH Sales	83,483,338	6,502,619	7.7891%	54,843,756	65.6943%	22,136,963	26.5166%
21	Revenue Per KWH Sold (Cents)							
22	Residential	7.73			7.88		7.28	
23	Commercial	6.26			6.26		6.23	
24	Industrial	4.45			4.76		4.00	
25	Public Street & Hghwy Lighting	11.29			11.41		10.62	
26	Interdepartmental	0.00			0.00		0.00	
27	Sales for Resale:							
28	Special Contract	6.70	6.70		6.70		6.70	
29	Other	4.02	4.02					
30	Total Revenue per KWH Sold	6.17	6.06		6.46		5.51	